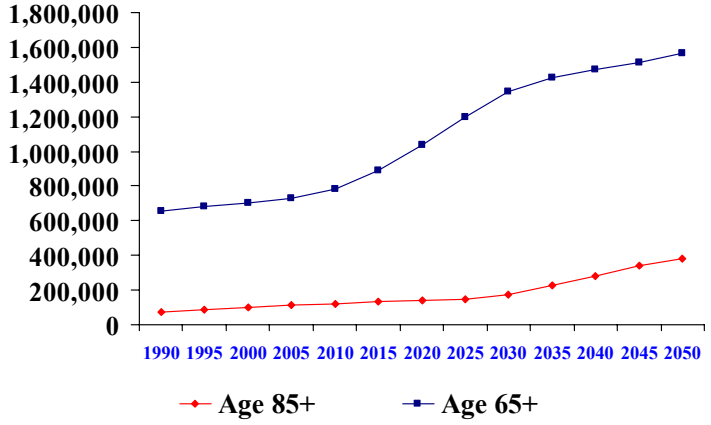
Long-Term Care Reform

Aging Summit VI
Eau Claire, WI
May 19, 2006

Wisconsin's over-65 and over-85 population will soon grow rapidly



Figures for 1990 are U.S. Census estimates (internet release 3/9/2000).
Figures for 1995-2050 are based on the U.S. Census population projections.

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Why Long-Term Care Reform?

- Give people **choices** about where to live and their care – not just institutions
- Streamline the system – simplify access and funding structure
- Prepare for the aging baby boom
- Promote wellness – prevent need for expensive care
- Promote individual planning and responsibility for future long-term needs
- Control and manage public costs smarter

Source: Division of Health Care Financing

Give People Choices

- Currently, Medicaid provides *entitlement* to nursing home care
- Currently, Medicaid has *waiting lists* for community long-term care options – except in Family Care pilot counties.
- Overwhelming preferences of consumers is for community care
- Wisconsin continues to rely heavily on institutions, compared to other states.

Source: Division of Health Care Financing

Lessons in Long-Term Care

- More than 65% of Medicaid costs are for people with long-term care needs.
- Family Care and Partnership have proven to be cost effective models for bringing care under management.
- Need strategies for moving to managed care faster.

Family Care

- Began operation in 2000
- A "partially integrated" program
- Operates under 1915 b/c waiver
- Includes three target groups:
  - Elders
  - Adults with physical disabilities
  - Adults with developmental disabilities

Wisconsin Partnership Program

- Began in 1996
- A fully integrated program
- Operates under an 1115/222 waiver
- Serves two target groups:
  - Elders
  - Adults with physical disabilities

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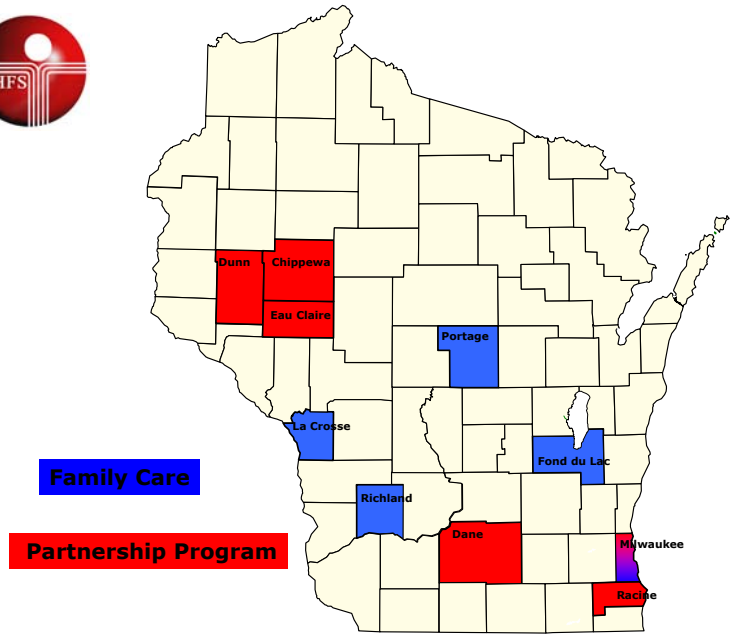

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Independent Evaluations of Family Care Program

- First Evaluation – September 2003, describes Family Care achievements in 2002, the third year of the program's operation.
- Second Evaluation – October 2005, describes Family Care achievements in 2003 and 2004, the fourth and fifth years of the program's operations
  - http://dhfs.wisconsin.gov/LTCare/pdf/FCIndepAssmt2005.pdf

Program Results – Family Care

- Costs in comparison to fee-for-service counterparts:
  - Lower overall long-term care costs $722 PMPM lower outside Milwaukee $565 PMPM lower for frail elders in Milwaukee
  - Lower total Medicaid spending $452 lower PMPM outside Milwaukee $55 lower PMPM for frail elders in Milwaukee

Program Results – Family Care

- Consumers' outcomes:
  - Increasing rates of outcomes over 5 years;
  - Better health and functioning than counterparts.

Partnership Results

- Results for both costs and members:
  - Improved access to dental care
  - Reduced hospital admissions, lengths of stays and days
  - Reduced long-term nursing home stays

Current Initiatives

- ICF-MR Restructuring allows institutional funding to provide community supports.
- Community Relocation Initiative allows nursing home residents to relocate to the community.
- Aging and Disability Resource Centers support those with private resources in finding community care.
- Long-Term Care Planning Grants allow partners to expand reform efforts.

Long-Term Care Reform Goals

- Purchase results, not services or processes.
- Allow consumers and care managers flexibility to respond to individuals' needs, preferences, and resources.
- Enable individuals to live in the most integrated setting suited to their needs and preferences.
- Reduce reliance on institutional and residential care.
- Include and support informal caregivers.

Implementing Statewide Reform

- Service delivery and costs will be managed though flexible, integrated, individualized managed care benefit system.
- Models include, but not limited to, Family Care and Partnership
- Financing will include capitated risk financing models with potential for innovative pay-for-performance models.

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Implementing Statewide Reform

- State will contract with a reasonable, but limited, number of care management organizations (CMOs)
- Multiple care management organizations may serve a single geographic area
- CMOs must meet criteria for sufficiency of provider networks, financial management, reserve capabilities, etc.

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Implementing Statewide Reform

- CMO service area will be multi-county, serving sufficient numbers of consumers to allow for cost-effective management of services and risks
- CMOs will be either private organizations, public-private partnerships, or multi-county consortia
- Reimbursement will be based on capitated, actuarially-sound rates

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Implementing Statewide Reform

- Existing Community Options Program (COP) and Community Integrated Program (CIP) participants will be transitioned to the new integrated, risk-based model
- Recipients of Medicaid fee-for-service long-term care benefits and nursing home care will also be transitioned to the new model
- These transitions will allow State to avoid cost increases to counties and the Medicaid program, with potential to expand access for people waiting for community-based care

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Implementing Statewide Reform

- CMOs must coordinate or integrate long-term care services with primary and acute medical care for consumers within the care management model
- The minimum degree of integration will be the inclusion of a nurse to coordinate health care, such as within Family Care model
- Inclusion of preventive, population-based health strategies are strongly encouraged

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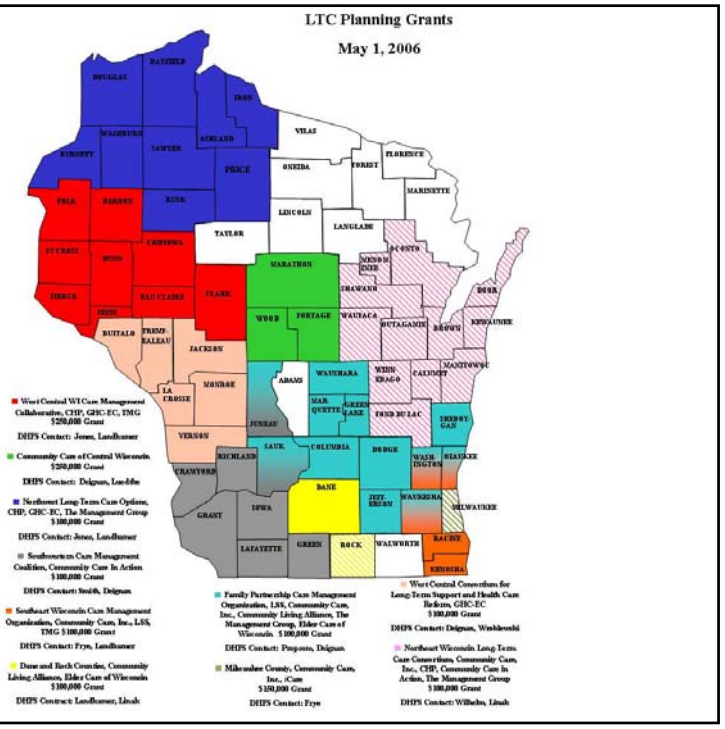

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Aging and Disability Resource Centers of Wisconsin

- Welcoming and convenient places for the general public to get information about long-term care.
- Offer a single entry point for publicly-funded long-term care services.
- Services are provided through the telephone or in visits to an individual's home.

Source: WI DHFS Family Care Resource Centers (October 2003)

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Functions of an ADRC

Statutory and contractual

- OUTREACH AND MARKETING
- INFORMATION AND ASSISTANCE *phone and web*
- LONG-TERM CARE OPTIONS COUNSELING *in person at home or center*
- ELDERLY AND DISABILITY BENEFIT COUNSELING

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ADRC Functions

- SHORT TERM CARE MGT *eligibility delayed or denied*
- FUNCTIONAL ELIGIBILITY *screen*
- FINANCIAL ELIGIBILITY *thru ESS*
- EMERGENCY REFERRAL *at risk*
- APS/ELDER ABUSE PREVENTION *reporting, community collaboration, safety*

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ADRC Functions

- Organize prevention initiatives
- Advise students in transition: school to adult service/benefits
- Consultation before LTC admission, for relocation and for discharge

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ADRC in Managed Care

- Streamlined, timely eligibility
- Options counseling: managed care choices
- Enrollment assistance
- Dis-enrollment counseling

ACCOUNTABILITY FOR ACCESS

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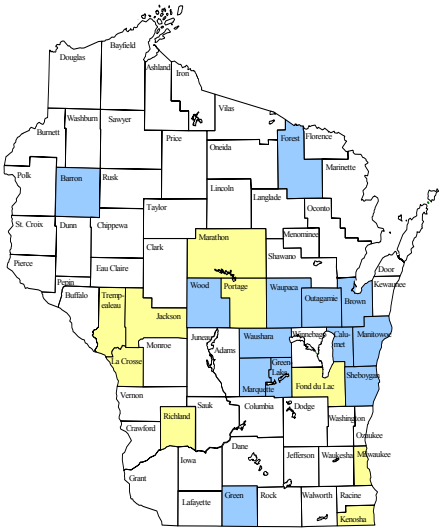
Aging & Disability Resource Centers



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